



Senate

General Assembly

File No. 365

January Session, 2001

Substitute Senate Bill No. 559

Senate, April 19, 2001

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT AUTHORIZING THE IMPLEMENTATION OF PRIMARY CARE CASE MANAGEMENT BY THE DEPARTMENT OF SOCIAL SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 (NEW) (a) For purposes of this section, "primary care case
2 management" means a system of care in which the health care services
3 for beneficiaries is coordinated by a primary care provider assigned to
4 the beneficiary. Primary care case management does not include
5 capitation for medical services. Primary care providers shall provide
6 beneficiaries with primary care medical services and make referrals to
7 specialty care as necessary. Such providers shall be reimbursed by the
8 state for medical services provided and for health care coordination
9 services. The Commissioner of Social Services shall adopt regulations,
10 in accordance with the provisions of chapter 54 of the general statutes,
11 to define the term "primary care provider".

12 (b) Notwithstanding any provision of chapter 319v of the general
13 statutes, the Department of Social Services may implement a pilot

14 program of primary care case management to provide medical
15 assistance to beneficiaries eligible under sections 17b-257, 17b-261 and
16 17b-289 to 17b-303, inclusive, of the general statutes.

17 (c) The department may enter into contracts for medical services
18 and program management to implement the provisions of this section.
19 The department shall not purchase services to operate the pilot
20 program from a managed care plan. Such pilot program shall allow
21 beneficiaries an option to apply to the department for a waiver of the
22 primary care provider designation on an individual basis. Such
23 program shall include effective training and education regarding the
24 program for health care providers and beneficiaries. Such program
25 shall also include comprehensive training for all entities providing
26 outreach and enrollment services to ensure that applicants are fully
27 informed of all options available. Participation by beneficiaries in the
28 pilot program shall be voluntary.

29 (d) The department shall ensure coordination between the pilot
30 program and other medical services provided to beneficiaries,
31 particularly behavioral health and dental services.

32 (e) The department shall conduct comprehensive, independent and
33 regular evaluations of program costs, beneficiary satisfaction, health
34 care provider satisfaction, access to health care, appropriate service
35 utilization, health outcomes and administrative burdens to health care
36 providers, beneficiaries and the state of the pilot program.

37 (f) The commissioner may seek a waiver from federal law as
38 necessary to implement the pilot program.

39 (g) The Commissioner of Social Services shall develop a plan to
40 involve the public and health care providers in the design and
41 implementation of the pilot program, particularly information
42 technology design. Such plan shall include the opportunity to submit
43 written comments and broad distribution of information and

44 opportunities to the public, beneficiaries, health care providers,
45 consumer advocacy groups and other organizations involved in health
46 care.

47 (h) The department shall submit a report on a regular basis to the
48 Medicaid Managed Care Council on its progress in planning and
49 implementing the pilot program.

Statement of Legislative Commissioners:

The provisions in subsection (a) were reorganized for clarity.

HS *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Explanation Below

Affected Agencies: Department of Social Services

Municipal Impact: None

Explanation**State Impact:**

This bill allows the Department of Social Services (DSS) to implement a pilot program of primary care case management (PCCM) for recipients of medical benefits under the Medicaid, HUSKY and State Administered General Assistance (SAGA) programs.

The impact of this proposal is uncertain. In FY00, DSS spent approximately \$1.22 billion on health care services for clients of these three programs, including approximately \$425.9 million on the managed care system for certain Medicaid clients. Depending on the manner of implementation of this pilot program, the PCCM system could result in either cost or savings in comparison to these current health care expenditures.

The bill also allows DSS to contract for program management and requires DSS to conduct regular evaluations of the PCCM pilot. These requirements will result in additional administrative costs for DSS that are not currently included in its anticipated budgetary resources. The

extent of these costs will depend on the size and manner of implementation of the pilot program.

It should be noted that the funding levels for SAGA included in sHB 6668 (the budget bill, as favorably approved by the Appropriations Committee) assume the implementation of a PCCM system for the SAGA program. Under this proposal, the client would be enrolled in a primary care organization that would be responsible for providing, arranging, and authorizing all covered non-emergency medical care with the exception of behavioral health services, which are currently provided by the Department of Mental Health and Addiction Services. The chief purpose of the primary care providers would be to deliver first contact care, assume ongoing responsibility for health and illness, and coordinate the use of the health care system.

DSS will contract with community health centers as the core primary care organizations responsible for delivering health services and will contract with a related entity as the administrative services organization providing claims processing and billing. The Appropriations Committee assumed that the implementation of this PCCM system would save \$10.2 million in FY02.

OLR Bill Analysis

sSB 559

AN ACT AUTHORIZING THE IMPLEMENTATION OF PRIMARY CARE CASE MANAGEMENT BY THE DEPARTMENT OF SOCIAL SERVICES.**SUMMARY:**

This bill permits the Department of Social Services (DSS) to establish a voluntary pilot program of primary care case management (PCCM) for people eligible for Medicaid, HUSKY B, and State-Administered General Assistance (SAGA) medical benefits. It permits DSS to apply for a federal waiver (presumably Medicaid or State Children's Health Insurance Program), if one is needed. DSS can enter into contracts to carry out the pilot but may not contract with a managed care plan. It must regularly report to the Medicaid Managed Care Council on the program's planning and implementation.

EFFECTIVE DATE: October 1, 2001

PRIMARY CARE CASE MANAGEMENT PILOT***PCCM Defined***

The bill defines PCCM as a system of care in which an assigned primary care provider (whom the bill directs the DSS commissioner to define in regulations) coordinates the health care services for beneficiaries. The providers must provide primary care services to beneficiaries and refer them to specialty services. The state pays the providers for both the medical services rendered and care coordination. PCCM does not include capitation, which is a term of art used by managed care plans. In Connecticut's Medicaid managed care program, capitation is a flat, monthly per capita amount DSS pays health plans for every Medicaid recipient they serve.

Pilot PCCM Program

The bill requires the DSS commissioner to develop a plan to involve

the public and providers in the program's design and implementation, particularly information technology design. The plan must include the opportunity to submit written comments and broad distribution of information and opportunities to the public, beneficiaries, providers, consumer advocacy groups, and other organizations involved in health care.

It permits DSS to enter into contracts for medical services and program management to run the pilot program. The program must allow beneficiaries to apply to DSS for a waiver of the primary care provider designation on an individual basis. It must also include effective education and training for both providers and beneficiaries. To ensure that beneficiaries are fully informed, it must also include comprehensive training for all entities providing outreach and enrollment services.

DSS must ensure coordination between the program and other medical services provided, particularly behavioral health and dental services.

The bill requires DSS to conduct comprehensive, independent, and regular evaluations of (1) program costs; (2) beneficiary and provider satisfaction; (3) health care access; (4) appropriate service utilization; (5) health outcomes; and (6) the program's administrative burdens on providers, beneficiaries, and the state.

BACKGROUND

DSS Managed Care

DSS currently serves HUSKY and certain Medicaid recipients using a managed care system. DSS has contracts with managed care plans, which are responsible for ensuring that the recipients receive all of the services the rules of each program require. The plans use subcontractors to provide behavioral health and dental services.

The plans choose the providers they wish to use, and a beneficiary may not use a provider who is not on a plan's provider list. Most plans require prior approval before a beneficiary can see a specialist, and they can limit the frequency and scope of the services. DSS pays the plans a monthly capitated rate, which must cover all of the medical

services required during that month.

Medicaid Managed Care Council

This council, established in law in 1994, monitors and advises DSS on its implementation of the Medicaid Managed Care program. Council members represent a broad spectrum of stakeholders involved in the delivery and oversight of health care in Connecticut.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report

Yea 17 Nay 0